

**17D-1-502 General obligation bonds.**

- (1) Except as provided in Subsection (3), if a special service district intends to issue general obligation bonds, the special service district shall first obtain the approval of special service district voters for issuance of the bonds at an election held for that purpose as provided in Title 11, Chapter 14, Local Government Bonding Act.
- (2) General obligation bonds shall be secured by a pledge of the full faith and credit of the special service district.
- (3) A special service district may issue refunding general obligation bonds, as provided in Title 11, Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.
- (4)
  - (a) A special service district may not issue general obligation bonds if the issuance of the bonds will cause the outstanding principal amount of all of the special service district's general obligation bonds to exceed the amount that results from multiplying the fair market value of the taxable property within the special service district, as determined under Subsection 11-14-301(3)(b), by .12.
  - (b) Bonds or other obligations of a special service district that are not general obligation bonds are not included in the limit stated in Subsection (4)(a).
- (5) A special service district may not be considered to be a municipal corporation for purposes of the debt limitation of the Utah Constitution Article XIV, Section 4.
- (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter 13, Interlocal Cooperation Act, may not be considered to be bonds of a special service district that participates in the agreement creating the administrative or legal entity.

Enacted by Chapter 360, 2008 General Session